
L I C E N S E E

News and Updates from the Virginia Department of Alcoholic Beverage Control, Winter 2008, vol. 14, no. 2

Some “Cirrusly” Great-Tasting Vodka Made in Virginia!

In 2003, Paul McCann and his friends were enjoying drinks at a Richmond-area bar one evening when McCann had an epiphany. He asked his friends, “Why are all the vodkas that we like to enjoy imported?” Not having an answer, he decided to go home and do some research. He was surprised with the results: only a handful of premium vodka distilleries operate in the United States. With this in mind, he set off to become the owner of the only premium

vodka distillery in Virginia and one of few in America. In June 2004, The Parched Group was formed and a few months later their product, Cirrus vodka, was being distilled in their Richmond-area building.

With a Bachelors degree in biology from Virginia Commonwealth University and a Master of Science in environmental health from Old Dominion University, McCann's background is helpful to the vodka making process as it involves a great deal of chem-

istry and science. Cirrus vodka is 100 percent potato vodka, which requires more time as opposed to distilling grain-based vodkas. While 99 percent of the alcohols distilled today are made with grain, McCann decided to go with the more traditional potatoes for Cirrus vodka. He primarily uses russet potatoes. “They are a starchier potato which allows you to produce more

(continued on page 6)



Cirrus bottles are filled with the finished product. The bottles were designed in Richmond and are decorated in Mexico. Once bottled, they are topped with a synthetic cork that is made in North Carolina.



LICENSEE

Winter 2008 • Volume 14, Number 2

Licensee is a quarterly publication for licensees of the Virginia Department of Alcoholic Beverage Control.

ABC Board

Susan R. Swecker, Chair
Esther H. Vassar, Commissioner
Pamela O'Berry Evans, Commissioner

Newsletter Editorial Board

Becky Gettings, ABC Public Affairs, Director
Kristy Marshall, ABC Public Affairs, Editor
Will Moore, ABC Public Affairs, Graphic Designer
Terri Cofer Beirne, Virginia Wineries Association, Legal Counsel
Racquel Boyd, ABC Board, Executive Secretary
Robert Jackson, ABC Education Section, Education Coordinator
Tom Lisk, Virginia Hospitality and Travel Association, Legal Counsel
Francis J. Monahan, ABC Bureau of Law Enforcement, Director
Mike O'Connor, Virginia Petroleum, Convenience and Grocery Association, President
Robert O'Neal, ABC Hearings and Appeals, Director
Jeffrey L. Painter, Legislative and Regulatory Coordinator
Shawn Walker, ABC Bureau of Law Enforcement, Deputy Director

Contributing Writers

Francis J. Monahan
Robert O'Neal

Virginia ABC

Virginia ABC is online at www.abc.virginia.gov.

Virginia ABC is . . .

- A public safety agency with law enforcement responsibilities
- A major source of revenue for the Commonwealth
- An efficient retail business
- A provider of educational and prevention programs
- An administrative hearing agency



**VIRGINIA DEPARTMENT OF
ALCOHOLIC BEVERAGE CONTROL**



Governor
Timothy M. Kaine



Message from Enforcement



*Francis J. Monahan,
Director, ABC Bureau
of Law Enforcement*

The ABC Bureau of Law Enforcement is committed to working with the community. Our special agents are working hard to provide exceptional service to the licensee community and public safety service to all Virginians. Promoting and enforcing compliance with ABC laws and regulations continues to be our greatest challenge.

Recently, I worked with our Board members to establish a new partnership, the ABC Community Advisory Council. This council works to facilitate additional vision, insight, accountability and support to our agency through partnering with public safety agencies, educational organizations, health officials, licensees and other community groups and citizens throughout Virginia. It is my belief that involving the community even more in ABC's efforts to increase public safety is a winning strategy.

Members for the council were recruited by the supervisors in each region and were identified for their expertise and involvement in the community. Many fields are represented including: urban and rural law enforcement, economic development, local government, legal, health and yes, both retail and on-premise licensees. The first ABC Community Advisory Council meeting was held in Richmond at the ABC Central Office and was very successful. We had close to full attendance on this Saturday morning, which truly speaks to the commitment of our members. The meeting covered discussions on new laws and regulations, deliberations on issues of importance to ABC and the community and recent ABC decisions from the Hearings & Appeals Division. Numerous suggestions on how ABC can improve customer service were also received and are currently being acted upon.

There are four regions where the council has been formed: North, which would include the Alexandria office; South Central, which would include both of the Richmond offices; East, which would include Chesapeake and Hampton offices; and Southwest, which includes offices in Abingdon, Lynchburg, Staunton and Charlottesville. Each region will meet once a year with the option of adding meetings based on issues that arise in their communities. Each council continues the work of the previous council while also addressing issues specific to that region.

This advisory council partnership with citizens, stakeholders and ABC officials allows us to hear concerns from our customers on dealings with licensed establishments, underage drinking, issues with our own ABC stores and much more. We are reinvigorating our efforts to strengthen our community partnerships. The Bureau of Law Enforcement, as well as the ABC Board members, will actively partner with the community to provide information in an effort to deter and reduce problems relating to underage drinking, trouble establishments and other public safety issues.

This is a very exciting and essential endeavor for us. We are taking the basic concepts of community policing and expanding it to a statewide level. As licensees, you serve an important role within your communities. The feedback we are getting from the community is that you are doing a good job. We thank you for your work and ask that you continue to help ensure the safety of your patrons, neighbors and other citizens through responsible business practices. Keep up the good work!

The next meeting is scheduled for the Southwest region on March 29, 2008. To learn more about the ABC Community Advisory Council, log onto www.abc.virginia.gov.

Barboursville Vineyards Wins 2007 Governor's Cup

Barboursville Vineyards received the distinguished 2007 Governor's Cup for their 1998 Cabernet Sauvignon Reserve. The Governor's Cup, the highest award in the state for a Virginia wine, was presented to Barboursville Vineyards winemaker Luca Paschina at the Richmond awards ceremony and tasting in November 2007.

"The 1998 Cabernet Sauvignon Reserve has been one of the most instructive validations of our growing region with which I have had the opportunity to work. A very fine growing season coincided with a combination of new clonal selections, trellising and pruning methods, and barrique selections—among other things—which showed dramatic promise in this wine, right away, and have soundly influenced our technique in our Bordeaux varietals in subsequent years, adapting well to vintage variations," said Paschina as he accepted the award.

In 2006, Barboursville celebrated the winery's 30th anniversary and is the sole American venture of Italy's Zonin wine-making family, leaders in Italian viticulture since 1821, and the reason that winemaker Luca Paschina arrived from Italy 17 years ago to bring his craft to Virginia.

This past year, the 25th Annual Governor's Cup Wine Competition, sponsored by the Virginia Wineries Association (VWA), received record-breaking participation from Virginia wineries. Also recognized at the awards presentation were the gold medal winners, awarding the "Best of White" to Horton Cellars for their 2006 Petit Manseng and the "Best of Dessert" to Oakencroft Vineyard & Winery for the 2005 Encore Late Harvest Dessert Wine.

Today, there are more than 120 wineries in Virginia, with growth escalating. For a complete list of winners, please visit VWA's Web site at www.virginiawines.org.



(Above right) Secretary of Agriculture Robert Bloxon (left) presents the 2007 Governor's Cup to Winemaker Luca Paschina, with his daughter, Maria Paschina. Photo courtesy of Barboursville Vineyards.

(Below) Winemaker Luca Paschina proudly stands in the cellars of Barboursville Vineyards. Photo courtesy of Barboursville Vineyards.



Reporting Ownership Changes

If a corporation holds a license and if any change in the officers, directors or shareholders owning 10 percent or more of the stock occurs, the ABC Board must be notified within 30 days. However, publicly owned corporations whose stock is traded on an exchange do not have to report stock transfers.

Additionally, if there is any change in the status of noncorporate ownership, such as the sale of the business or taking on a new partner, this automatically terminates the current license and a new application must be filed. Only the individual, partnership, association or corporation whose name appears on the license may use the privileges of the license.[3 VAC 5-70-90.G]

www.abc.virginia.gov

LICENSEE RESOURCES

Brochures and Other Resources

You can order brochures, bookmarks, posters and litter-bags on a variety of topics including blood alcohol content, fake IDs and underage drinking. These materials are available at no charge and are great for managers, servers/sellers and the general public. Download an order form at the ABC Web site at www.abc.virginia.gov or call (804) 213-4688.

www.abc.virginia.gov

Evans to Serve as ABC Board Chair April 1

In accordance with the Board Chair policy established under ABC's current Board administration, Commissioner Pamela O'Berry Evans will begin her term as Chair on April 1, 2008. Commissioner Esther H. Vassar will finish the fourth term as Chair in 2009.

Commissioner Evans served as a commonwealth's attorney for Richmond, earning the rank of Deputy Commonwealth's

Attorney, and most recently served as general counsel for the City of Richmond Police Department. She also worked as an attorney in private practice in the law firm of McCandlish Kaine, PC. Evans received her undergraduate degree from Shippensburg University and is a graduate of American University Washington College of Law. Commissioner Evans will celebrate the beginning of her third year at ABC in April.



Upcoming Chair Pamela O. Evans, center, pictured with fellow Commissioners, left to right, Vassar and Swecker.

IN SEARCH OF UNIQUE LICENSEE PROGRAMS

Are you implementing a distinctive compliance program to encourage employees to check IDs and avoid underage sales? **Are you rewarding employees with something special?**
Do you have a standard in place for checking IDs?

We want to hear about your unique compliance programs. Submit your stories by e-mailing kristy.marshall@abc.virginia.gov. Your program/reward incentive will be featured in the Licensee newsletter.

Licensee Violations and Penalties, July–September 2007

As a result of ABC Bureau of Law Enforcement investigations and the ABC hearings process, the following businesses received a minimum sanction of a 10- to 30-day suspension and/or at least a \$500 fine. These sanctions were selected randomly from the Final Decisions and Orders issued from November 2007 through January 2008.

The sanctions are reported to raise the awareness of licensees by informing them of the potential penalties for violating Virginia's ABC Laws and Regulations. It is the hope that making licensees aware of these major violations will serve as a deterrent. Most licensed establishments operate clean and safe businesses as encouraged by the Virginia ABC Board.

Convenient Store/Richmond

Licensee sold alcohol beverages to an underage person; suspended for 30 days or \$3,000 and 10 days suspended. Second offense.

Distributor/Richmond

Licensee sold wine to Food Lion, a retailer licensee, except for cash paid and collected at the time or prior to delivery; board will issue written warning and licensee agrees to accept \$500 fine.

Grocery Store/Fredericksburg

Sold to underage person, second offense; suspended for 30 days or \$3,000 and 10 days suspended.

Restaurant/Alexandria

Licensee prepared mixed beverages except pursuant to patron's order; accepted five days suspended and \$4,000 fine.

Restaurant/Annandale

Licensee kept alcoholic beverages not authorized to sell; licensee purchased wine or beer for resale from a person or manufacturer, bottler, or wholesaler; accepted \$750 fine.

Restaurant/Blacksburg

Licensee failed to submit the Annual Review in a timely manner; license revoked.

Restaurant/Chincoteague

Licensee cannot demonstrate financial responsibility; license revoked.

Restaurant/Danville

Licensee conducted happy hour contrary to regulations; written warning.

Restaurant/Fairfax

Licensee not legitimate owner; does not conform to the requirements of the City of Fairfax; does not qualify as a restaurant; licensee has not demonstrated financial responsibility; license revoked.

Restaurant/Harrisonburg

Licensee failed or refused to comply with a condition or restriction of the license; suspended for 90 days or \$3,000 fine and 60 days suspended.

Restaurant/Luray

Licensee failed to submit the Annual Review in a timely manner; suspended for 25 days or \$2,000 fine and 15 days suspended; probation for 2 years; entire amount of the civil penalty be paid when the Board order is served.

Restaurant/Manassas

Licensee place does not conform to the requirements of the governing body of Prince William County; suspended for 30 days or \$3,000 and 7 days suspended.

Restaurant/Newport News

Establishment fails to qualify as a restaurant; license revoked.

Restaurant/Norfolk

Manager failed to have her name posted; manager unable to speak, write, read or understand English; failed to keep complete, accurate and separate records; charge 1; suspended for 10 days, or \$750 fine; charge 2; 7 days suspended or \$500 fine; charge 3; 7 days suspended or \$500 fine.

Restaurant/Pulaski

Establishment fails to qualify as a restaurant; license revoked.

Restaurant/Richmond

Licensee failed or refused to comply with restriction of license; licensee was convicted of a felony or any crime involving moral turpitude; license revoked.

Restaurant/Salem

Licensee illegally possessed, distributed, sold or used marijuana or other controlled substances, controlled paraphernalia on licensed premises; suspended for 25 days or \$1,000 and 10 days suspended.

Restaurant/South Boston

Licensee sold alcoholic beverage in unauthorized place or manner on four different dates; accepted 10 days suspended in lieu of \$2,000 fine.

Restaurant/Suffolk

Licensee allowed consumption of alcoholic beverages on the licensed premises to intoxicated persons. Licensee sold alcoholic beverages to intoxicated person and allowed them to loiter on the premises; suspension for 25 days or \$2,500 fine.

Restaurant/Woodbridge

Licensee sold to intoxicated persons; licensee consumption of alcoholic beverages to intoxicated persons; licensee sold alcoholic beverages in unauthorized place or manner; suspended for 10 days and \$5,000 fine.

Wine Shop/Ashburn

Licensee kept alcohol beverages that was not authorized to sell; license revoked.

alcohol,” McCann said. “Potatoes ultimately give the vodka a smoother spirit and a different character than grain.”

As a Bon Air resident with his distillery located in Richmond, McCann is loyal to his Virginia roots and uses Virginia products whenever possible. While in season during the summer months, he uses Virginian-grown potatoes from the Eastern Shore areas; while other times of the year he receives potatoes from other areas such as California, Idaho and Florida. “I am also the only distillery and have the only distilled vodka product with the ‘Virginia’s Finest’ trademark on it,” said McCann. The trademark signifies that agricultural and food products have met quality standards established by industries and approved by the Virginia Department of Agriculture and Consumer Services. “This is something I am very proud of,” added McCann. Also

happening in Virginia, the bottle was designed with an artistic friend in Richmond.

In a recent description of his vodka, McCann states that he works hard on not distilling the character out of the spirit... after all, what is the point of being able to enjoy something if it is totally void of any ‘spirit’, he adds. After asking him to describe his vodka, McCann said that the flavor has been described as having a slight vanilla nose with a creamy mouthfeel—slightly sweet but very smooth.

Although the product may be very smooth, the distilling process is not. With the task of running a full distillery, all of the mashing, fermenting, distilling of the neutral spirit and bottling are all done in-house. Cirrus is all-natural in that no additives are used for flavoring or anything else to influence the flavor. For the first step, russet potatoes are ground until a raw mashed potato is formed. Next, the potato mash is

cooked in steam kettles for about three hours. This process breaks down the starches in the potato to fermentable sugars. After the steam kettles, the mash is transferred to fermentation tanks, about 300 gallon tanks, for about two-three days. Here is where the product is fermented to about 8–10 percent alcohol. The product is then distilled in a copper pot still. During the distillation process, the mash is heated until boiling extracting the alcohol. McCann repeats this purification/distilling process until he gets a 190+ proof alcohol neutral spirit. The spirit, which is triple distilled, is done so because he needs only to distill three times to achieve the finished spirit quality that he is looking for. The spirit is then cut with very special spring water to 80 proof and is then ready to be pumped for bottling and the final step, corking.

When asked what his secret is for making great-tasting vodka, McCann replies, “It’s a combination of things that not only includes the water we bring in to the distillery but also the process and how we run the process.” Great water is important but not the only aspect of what makes Cirrus Vodka an award winning spirit. In addition to being a great spirit, because Cirrus Vodka is a 100% potato vodka, it is gluten-free which is important for folks that have gluten allergies and cannot have grain based products.

Whatever he is doing seems to be working. In 2005, nearly seven months into distilling Cirrus, McCann entered the well-known San Francisco World Spirits Competition against approximately 80 other competing vodkas. He came out a winner, receiving the Silver medal. That fall, McCann and Cirrus again won the Silver medal in the Beverage Testing Institute’s competition in Chicago. “Nothing worthwhile ever comes easy,” said McCann. His determination and dedication to great-tasting vodka paid off and in the spring of 2006, Cirrus won the Gold medal at the San Francisco World Spirits Competition and was one point away from receiving the Gold medal in Chicago. “Cirrus vodka is very competitive at the international level,” said McCann.

Cirrus is growing rapidly. Starting in 40 Virginia ABC stores, Cirrus is now sold in 170 ABC stores across the Commonwealth. Additionally, Cirrus has been shipped to Washington, D.C. and Tennessee with



Cirrus Vodka producer Paul McCann watches the steam kettles as the potatoes boil. This step of making the premium vodka usually takes about three hours.

(continued on page 7)

McCann looking to expand in the Carolinas, Florida, West Virginia, Maryland, Delaware, Oregon, Georgia, Michigan and New Jersey. "I would like to be in the majority of the east coast states by the end of 2008," McCann said. When he was just in Virginia, McCann was self-distributing; now due to business growth, he uses Republic National Distributing Company in Virginia and in DC.

The growth of Cirrus is evident as it is appearing in some of the state's top restaurants such as The Inn at Little Washington and is the specific vodka used for specialty drinks in restaurants around the region such as the Jefferson Hotel's 'Cloud 9' cocktail, the 'Cirrus Blossom and Lust' cocktails at the Equinox restaurant in Washington D.C. and the 'Strawberry Fields' cocktail at Clyde's restaurants in Northern VA.

As McCann is pleased with the growth of Cirrus Vodka, he now finds himself looking for a bigger space to distill Cirrus as well as to expand the product line. "I am looking to add a single-malt whiskey to the line, so I am anxious to start the aging process for this product," said McCann. He has additionally started sponsoring events in Virginia to include Art 180 fundraisers for art education for children, SPARC, a charity event with Hampton Roads Magazine in Virginia Beach to raise money for HIV/AIDS awareness and the Richmond SPCA. "I believe in giving back to the community, so it is special for me to be able to do charity sponsorships," McCann added.

With a rapidly growing business and plans to expand his product line in the near future, McCann is on a 'cirrus' mission to be a premium distilled spirits company. When asked about the future of his company, McCann said, "We are seeing good repeat sales and are on a great path. I am very proud to have the opportunity to not only produce such a highly regarded and quality product but to also be able to do it right here in Virginia. Virginia has always been my home. It is a great place to be and to be in business."

To learn more about Cirrus Vodka, please visit their Web site at www.cirrusvodka.com.

www.abc.virginia.gov

ABC Hearings & Appeals Quarterly Review

In the first two quarters of Fiscal Year 2008 (July 1–December 31, 2007), ABC completed processing on 505 cases involving 666 charges and issued final Board orders to licensees. The average suspension period given for a violation was 21.17 days; the average civil penalty given as a disposition was \$1,885.78. When required, the mandatory suspension period averaged 13.44 days. In this period, 412 cases processed had only one violation or objection filed while 93 cases had multiple violation or objections filed.

The 412 cases involving licensees who had one charge or objection filed by ABC agents were in the follow general categories:

- 278 sold alcohol to an underage buyer
- 36 failed to file the required Mixed Beverage Annual Review (MBAR)
- 20 failed to maintain qualifications for the type of license
- 11 failed to file wine tax reports or shipped wine in excess of limits
- 6 kept or sold alcoholic beverages they were not licensed to sell
- 6 advertised or conducted a "Happy Hour" in violation of law or regulations
- 4 allowed consumption of alcohol by intoxicated patrons or allowed lewd/disorderly conduct

- 3 either employed or asked for approval to employ a convicted felon
- 48 had other miscellaneous violations or objections

The 93 cases involving licensees who had multiple violations or objections filed by ABC agents were in the follow general categories (as the primary charge):

- 20 sold alcohol to an underage buyer as the primary charge
- 14 failed to have a designated manager posted/on duty/present
- 8 failed to file required reports, MBARs, or keep accurate records
- 11 allowed consumption of alcohol by intoxicated patrons or allowed afterhours consumption of alcoholic beverages
- 7 kept or sold alcoholic beverages they were not licensed to sell
- 2 either allowed "peace and good order" or breach of the peace violation
- 5 failed to maintain financial responsibility or viability
- 26 had other miscellaneous violations or objections

Stay tuned for the Spring Edition of the *Licensee* newsletter for cases processed by the Board from January 1, 2008 through March 31, 2008.

**BE SURE
before you sell**



Free compliance table tents and pins are still available. Place your order by e-mailing pubrel@abc.virginia.gov or by calling (804) 213-4413. Please visit www.abc.virginia.gov for more information.

FAQs

Question: If a server under 21 is employed, are they allowed to open wine bottles and pour martinis at the tables? Is this considered bartending?

Answer: In reviewing ABC Regulation 3 VAC 5-50-50 and ABC Criminal Code 4.1-307, your wait staff is allowed to pour any alcoholic beverages as long as they are 18 years of age. The regulation states that a "bartender" is defined as a person who sells, serves or dispenses alcoholic beverages for on-premise consumption at a counter, as defined in 3 VAC 5-50-110, and does not include a person employed to serve food and drink to patrons at tables as defined in that section. However, a person who is 18 years of age or older may sell or serve beer for on-premise consumption at a counter in an establishment that sells beer only.

FAQs

Question: Are we prohibited from selling alcohol to a person with a vertical driver's license, even if license appears valid and indicates that the person is indeed 21 years of age?

Answer: No, you are not prohibited from selling alcohol to a person with a vertical driver's license as long as you verify that it is a valid driver's license and the person is indeed 21 years of age. Always verify the red-lettered years on the driver's license to determine the age. Sometimes an individual will turn 21 before his/her driver's license expires; therefore, it may be a vertical driver's license.

Send in Your Questions!

Have a retail license question you would like answered in the next issue? Please submit your questions via e-mail to Kristy.Marshall@abc.virginia.gov.

March 2008 RSVP Schedule

Taught by ABC's special agents, the Responsible Sellers/Servers: Virginia's Program (RSVP) training classes are designed for bartenders, clerks, cashiers, waitstaff and other front-line employees. The training class covers laws and administrative regulations that govern alcohol sales and consumption, detecting fake identifications, preventing intoxicated customers and managing confrontational situations.

Visit www.abc.virginia.gov for more information, to view a current schedule of classes and to register online.



3/12, Farmville
South Street Conference Building,
124 South St., 1-4 p.m.

3/19, Chesapeake
Chesapeake Regional ABC Office,
1103 S. Military Hwy., (two sessions)
9 a.m.-12 p.m. & 1-4 p.m.

3/19, Colonial Heights
Hilton Garden Inn Richmond
South/Southpark, 800 Southpark Blvd.,
9 a.m.-12 p.m.

3/19, Roanoke
Roanoke Regional ABC Office,
2943-D Peters Creek Rd., 9 a.m.-1 p.m.

3/9, Suffolk
Hilton Garden Inn Conference Center, 100
East Constance Rd., 9 a.m.-12 p.m.

3/26, Alexandria
Alexandria Regional ABC Office (Fairfax
County), 6308 Grovedale Dr., (two sessions)
9 a.m.-12 p.m. & 1 p.m.-4 p.m.

ABC Enforcement CrimeLine

To report a crime relating to any ABC laws, please call the ABC Enforcement CRIMELINE at (866) 437-3155. You may also log onto the ABC Web site, www.abc.virginia.gov, and use the Violation Complain Form that is available under the Laws & Enforcement section. We welcome your involvement with ABC's efforts to maintain public safety while providing public service to Virginians.



2901 Hermitage Road
P.O. Box 27491
Richmond, VA 23261-7491

PRESORTED
STANDARD MAIL
US POSTAGE
PAID
RICHMOND VA
PERMIT NO 2051